



Ivanhoe (TSX:IVN) Had a Record Quarter: Should You Buy the Stock Today?

Description

Ivanhoe Mines ([TSX:IVN](#)) is a Vancouver-based company that is engaged in the exploration, development, and recovery of minerals and precious metals. Today, I want to look at Ivanhoe's most recent quarterly report. We can determine whether this stock is worth snatching up in the second half of August. Let's jump in.

How has this base metal stock performed so far in 2022?

The **S&P/TSX Composite Index** was [down 111 points](#) in late-morning trading on August 17. Meanwhile, the **S&P/TSX Global Base Metals Index** was down 2.46% on the same day. Shares of Ivanhoe have dropped 16% in the year-to-date period at the time of this writing. That has pushed the stock into negative territory in the year-over-year period.

Base metals and other commodities enjoyed a solid upswing in 2021 and early 2022. However, fears of a recession brought these back down to earth in recent months. [Copper](#) and tin prices gained some momentum this week as softer-than-expected United States inflation data spurred hopes for more dovish monetary policy going forward. A weaker dollar has also provided a boost to base metals so far in 2022.

Investors should be excited after Ivanhoe's record second-quarter report

Ivanhoe unveiled its second-quarter fiscal 2022 earnings on August 15. The company achieved a record profit of \$351 million in the second quarter. It delivered strong results at its major locations.

For example, the Kamoakakula Mining Complex in the Democratic Republic of Congo posted an all-time high in sales of 85,794 tonnes of payable copper. Meanwhile, the Platreef underground mining moved forward with more than 200 metres of lateral development in the second quarter of 2022.

Kamoa-Kakula also delivered record quarterly production of 87,314 tonnes of copper in concentrate. This quarter spurred the company to hike the lower end of its production guidance to between 310,000 and 340,000 tonnes of copper. This followed the commissioning of Ivanhoe's phase-two expansion. This company finished the quarter with a strong balance sheet. It reported cash and cash equivalents of \$507 million as at June 30, 2022. Management stated that it expects copper sales at Kamoa-Kakula will fund expanded capital expenditures on Kamoa Copper's phase three.

Beyond the base metal success, Ivanhoe also announced the construction of Platreef's very first solar power plant. It is expected to commission in the third quarter of fiscal 2022. The company aims to use the electricity generated from this power plant to be used for mining and construction activities going forward.

Ivanhoe: Is the stock worth buying today?

Shares of Ivanhoe Mines currently possess an attractive price-to-earnings ratio of 17. It is trading in more favourable value territory compared to its industry peers. The company has climbed back to profitability and is on track to deliver strong earnings growth going forward. Investors interested in taking a contrarian position may want to snatch up this base metal stock that could thrive if central banks are able to get inflation under control faster than anticipated.

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